

Message Text

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PAGE 01 PORT A 02120 222022Z

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SUBJECT: PRESIDENT PROPOSES RECORD DEVELOPMENT AND OPERATIONAL
BUDGETS FOR 75/76 FISCAL YEAR

1. SUMMARY: PRESIDENT DUVALIER, IN HIS BUDGET MESSAGE COVERING 75/76 FISCAL YEAR, HAS PROPOSED AND HOUSE OF DEPUTIES HAS ADOPTED LARGEST BUDGET IN HISTORY OF HAITI. OPERATIONS BUDGET, TOTALING US \$43.3 MILLION IS 11.3 PERCENT ABOVE PREVIOUS YEAR; DEVELOPMENT BUDGET TOTALING \$103.9 MILLION IS 80.1 PERCENT ABOVE PREVIOUS YEAR. ALTHOUGH ALMOST TWO-THIRDS OF DEVELOPMENT BUDGET IS PROVIDED BY FOREIGN ASSISTANCE, HAITIAN CONTRIBUTION TO DEVELOPMENT BUDGET, TOTALING \$37.5 MILLION, IS 112.2 PERCENT ABOVE THEIR CONTRIBUTION IN PREVIOUS FISCAL YEAR. PRESIDENT'S MESSAGE ALSO SUMMARIZED BRIEFLY ECONOMIC HIGHLIGHTS FOR PREVIOUS YEAR, REPORTING AN INCREASE IN GROSS DOMESTIC PRODUCT OF 6.9 PERCENT AND STRESSING NEED FOR MEASURES TO REDUCE UNDEREMPLOYMENT. END SUMMARY

2. OPERATIONS BUDGET: BUDGET PROVIDES THAT US \$43.3 MILLION (GOURDES 216.6 MILLION) BE DEVOTED TO OPERATIONS EXPENDITURES DURING THE 75/76 FISCAL YEAR. THIS IS 11.3 PERCENT HIGHER THAN THE \$38.9 PROJECTED FOR THE 74/75 BUDGET, BUT ONLY 5.6 PERCENT HIGHER THAN THE \$41.0 ACTUALLY SPENT DURING THE YEAR. INCREASE IS LESS THAN RATE OF INFLATION, THUS FEWER
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PAGE 02 PORT A 02120 222022Z

REAL RESOURCES WILL BE SPENT ON OPERATION OF GOVERNMENT DURING

THE YEAR. BREAKDOWN OF FUNDS ALLOTTED TO EACH DEPARTMENT IS NOT YET AVAILABLE. HOWEVER, US \$37.2 IS SCHEDULED FOR SALARIES AND PURCHASES OF GOVERNMENT DEPARTMENTS; \$1.3 FOR CUSTOMS BUREAU; \$1.8 FOR TAX BUREAU AND \$3 MILLION FOR PUBLIC DEBT. (NOTE: LATTER FIGURE IS SLIGHTLY LOWER THAN PREVIOUS YEAR, WHICH SEEMS INCONSISTENT SINCE GOVERNMENT ISSUED NEW SERIES OF BONDS SEVERAL MONTHS AGO.)

3. DEVELOPMENT BUDGET: PREVIOUS YEAR'S DEVELOPMENT PROJECTS HAD BEEN BUDGETED AT \$57.7 MILLION; ACTUAL EXPENDITURES WERE APPROXIMATELY \$36 MILLION. FOR THE 74/75 PERIOD, THE GOH HAS BUDGETED \$103.9 MILLION (80.1 PERCENT HIGHER THAN PREVIOUS BUDGET AND 188 PERCENT THAN ACTUAL EXPENDITURES.) OF THE TOTAL BUDGETED, \$66.4 MILLION IS TO COME FROM MULTILATERAL AND BILATERAL ASSISTANCE, AND \$37.5 MILLION FROM HAITIAN RESOURCES. BREAKDOWN OF PLANNED EXPENDITURES IN THOUSANDS OF DOLLARS IS AS FOLLOWS:

SECTOR	NATIONAL CONTRIBUTION	FOREIGN CONTRIBUTION	TOTAL
ENERGY	5,378	3,500	8,878
TRANSPORT	7,814	39,719	47,533
TELECOMMUNICATIONS	13,640	--	13,640
AGRICULTURE	2,885	6,568	9,453
INDUSTRY	1,916	1,126	3,042
TOURISM	186	--	186
HEALTH	714	3,871	4,585
POTABLE WATER	2,130	5,550	7,680
EDUCATION	485	1,382	1,867
COMMUNITY DEVELOPMENT	437	4,169	4,606

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PAGE 03 PORT A 02120 222022Z

URBAN DEVELOPMENT	66	164	230
STUDY AND RESEARCH	1,862	336	2,198
TOTAL	37,513	66,585	103,898

SIZABLE INCREASES OVER THE PREVIOUS YEAR ARE BUDGETED FOR THE FOLLOWING SECTORS: TRANSPORT, TELECOMMUNICATIONS, ENERGY,

POTABLE WATER AND AGRICULTURE (IN DESCENDING ORDER). WITH THE EXCEPTION OF TELECOMMUNICATIONS (WHICH IS FUNDED ENTIRELY FROM HAITIAN SOURCES), PRIORITIES SHOWN BY PROJECTS SELECTED AND BY AMOUNTS, AND TIMING OF EXPENDITURES ARE CHIEFLY DEPENDENT ON SIGNING OF AGREEMENTS WITH MULTILATERAL AND BILATERAL ASSISTANCE AGENCIES AND WITH THEIR RATES OF DISBURSEMENT.

4. NO INFORMATION HAS BEEN PROVIDED AS YET ON SOURCES OF REVENUES FOR THE BUDGET.

5. IN GENERAL, OVERVIEW OF THE ECONOMY PROVIDED IN BUDGET MESSAGE, PRESIDENT REPORTED GROWTH RATE IN 1974 FISCAL YEAR OF ABOUT 6.9 PERCENT IN REAL TERMS IN GROSS DOMESTIC PRODUCT. HE NOTED GENERAL WORLD SCENE WITH THIRD COUNTRIES INSISTING UPON SETTLEMENT OF THEIR JUST CLAIMS, BUT ALSO POINTED OUT THAT CREDIBILITY WILL NOT BE GIVEN TO THESE CLAIMS UNLESS THEY ARE BASED UPON STEADY EFFORTS TOWARD DOMESTIC DEVELOPMENT. REPORT CALLED FOR DEMOCRATIZATION OF EDUCATION, ENLARGEMENT OF OPPORTUNITIES, AND EQUITABLE DISTRIBUTION OF NATIONAL INCOME. HE STRESSED NEED TO CREATE EMPLOYMENT OPPORTUNITIES AND STATED THERE WOULD BE STUDIES OF SPECIAL LABOR-INTENSIVE PUBLIC WORKS PROGRAMS.
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